

South Dakota Public Utilities Commission Meeting
Tuesday, October 9, 2007, at 9:30 A.M.
State Capitol Building, Room 412
Pierre, South Dakota

NOTE: If you wish to join this meeting by conference call, please contact the Commission at 605-773-3201 by 5:00 p.m. on October 8, 2007. Lines are limited and are given out on first come/first serve basis, subject to possible reassignment to accommodate persons who must appear in a proceeding. Ultimately, if you wish to participate in the Commission Meeting and a line is not available you may have to appear in person.

NOTE: To listen to the Commission Meeting live please go to the PUC's website www.puc.sd.gov and click on the LIVE button on the home page. The Commission requests that persons who will only be listening to proceedings and not actively appearing in a case listen via the webcast to free phone lines for those who have to appear. The Commission meetings are archived on the PUC's website under the Commission Actions tab and then click on the LISTEN button on the page.

NOTE: Notice is further given to persons with disabilities that this Commission meeting is being held in a physically accessible place. If you have special needs, please notify the Commission and we will make all necessary arrangements.

AGENDA OF COMMISSION MEETING

Administration

1. Approval of the Minutes of the Commission Meeting Held on September 11, 2007 (Staff: Demaris Axthelm)

Consumer Reports

1. Status Report on Consumer Utility Inquiries and Complaints Received by the Commission. (Consumer Affairs: Deb Gregg)

Electric

1. EL06-018 In the Matter of the Consideration of the New PURPA Standards (Staff Analyst: Nathan Solem, Staff Attorney: Kara Semmler)

On August 8, 2005, the Energy Policy Act of 2005 ("EPAAct 2005") was signed into law. Certain provisions in the EPAAct 2005 amend the Public Utility Regulatory Policies Act ("PURPA") of 1978. The EPAAct 2005 adds five new federal standards to PURPA. The five standards regard net metering, fuel diversity, fossil fuel generation efficiency, smart metering, and interconnection for distributed resources. Under the EPAAct 2005, the Public Utilities Commission (Commission) has varying timelines within which to consider these standards and determine whether to adopt them. The Commission voted to open a docket to seek comments from interested persons or entities on how to proceed. The Commission requested comments on the following: 1) which electric utilities operating in South Dakota are affected by the

standards and are subject to the Commission's jurisdiction? 2) Should the Commission open a docket for each utility or open a generic docket encompassing all of the affected utilities? 3) Should the Commission combine all of the standards, some of the standards, or have separate dockets for each standard? 4) Should the Commission hold evidentiary hearings with direct testimony and cross-examination? 5) If the Commission decides to implement any of the standards, should it do so through a rulemaking? 6) With respect to the net metering standard, should the Commission find it is not required to consider this standard given that the Legislature has already considered net metering in a past legislative session? Comments were received from the South Dakota Rural Electric Association and South Dakota Electric Utility Companies. A hearing in this matter was held May 30, 2007. Staff filed a letter of recommendations on June 13, 2007. At its July 11, 2007, meeting the Commission voted to not accept PURPA Standard 14 and hold additional workshops on PURPA Standard 15. The Commission further requested that all utilities file their interconnection procedures and requirements within 60 days of the order date. On September 20, 2007, Otter Tail Power Company filed a request for an extension of time to file its interconnection procedures and requirements.

TODAY, shall the Commission Grant an Extension of Time to Otter Tail Power?

Hydrocarbon Pipeline

1. **HP07-001 In the Matter of the Application of TransCanada Keystone Pipeline, LP for a Permit under the South Dakota Energy Conversion and Transmission Facility Act to Construct the Keystone Pipeline Project. (Staff Analysts: Martin Bettmann/Bob Knadle/Nathan Solem, Staff Attorney: Kara Semmler)**

On April 27, 2007, TransCanada Keystone Pipeline, LP, (Keystone) filed a siting permit application for the South Dakota portion of the Keystone Pipeline Project (Project). The Project will transport crude oil starting in Hardisty, Alberta, Canada and ending in Patoka, Illinois. The proposed 30 inch diameter pipeline will have a nominal capacity of 435,000 barrels of oil per day (bpd) with a possible expansion to 591,000 bpd. The proposed route will enter South Dakota at the North Dakota/South Dakota border in Marshall County and extend in a southerly direction, exiting the state at the South Dakota/Nebraska border in Yankton County. The length of the pipeline in South Dakota will be approximately 220 miles and it will cross the counties of Marshall, Day, Clark, Beadle, Kingsbury, Miner, Hanson, McCook, Hutchinson and Yankton. The Project also includes four pump stations in South Dakota located in Day, Beadle, Miner and Hutchinson counties along with 15 mainline valves with an average spacing of 15 miles between valves. At its regular meeting on August 7, 2007, the Commission considered whether a procedural schedule should be issued and whether pre-filed testimony should be required and heard from the parties regarding these issues and on dates for hearing and pre-filed testimony. The Commission decided to require pre-filed testimony and to issue a procedural schedule, established December 3-14, 2007 as the dates for hearing, decided to hold an additional public input hearing in conjunction with the evidentiary hearing and directed the Commission's legal counsel to confer with the parties who appeared or who otherwise contacted the Commission regarding the scheduling issue in an effort to reach agreement on the dates for filing pre-filed testimony and other pre-hearing dates. On August 23, 2007, Commission counsel circulated a draft scheduling and procedural order to the parties. The parties have been unable to agree on dates for the filing of pre-filed testimony and other dates in the case. On September 4, 2007, Commission counsel filed the circulated draft order. A scheduling and procedural order was issued at the September 11, 2007, commission meeting. On September 6, 2007, Keystone filed a Motion for Entry of Protective Order.

TODAY, how shall the Commission Proceed with Regards to the Motion for Entry of Protective Order?

Telecommunications

1. **TC06-007 In the Matter of the Petition of Level 3 Communications, LLC for Arbitration of an Interconnection Agreement with Qwest Corporation. (Commission Attorney: Rolayne Ailts Wiest)**

On January 26, 2006, Level 3 Communications, LLC (Level 3) filed a Petition for Arbitration Pursuant to Section 252(b) of the Telecommunications Act of 1996 for Rates, Terms, and Conditions of Interconnection with Qwest Corporation (Qwest). In its Petition, Level 3 requested that the Commission arbitrate certain terms and conditions of a proposed Interconnection Agreement between Level 3 and Qwest. Pursuant to ARSD 20:10:32:30, Qwest may respond to the Petition and provide additional information by February 21, 2006. On May 7, 2007, Level 3 filed a Motion to Withdraw Petition and Terminate Arbitration Proceedings and also filed a Notice of Adoption of Qwest's Statement of Generally Available Terms. The Commission Granted the Motion to Withdraw Petition and Terminate Arbitration Proceedings at its May 22, 2007, meeting.

TODAY, the Commission shall Hear Oral Arguments.

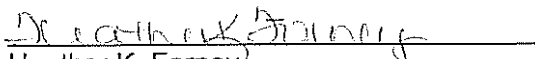
2. **TC07-098 In the Matter of the Application of Silv Communication Inc. for a Certificate of Authority to Provide Interexchange Telecommunications Services in South Dakota. (Staff Analyst: Harlan Best, Staff Attorney: Karen Cremer)**

On September 7, 2007, Silv Communication Inc. filed an application seeking a Certificate of Authority to provide interexchange services throughout South Dakota. Silv requests that the Commission treat the financial statements and cash flow projection as confidential.

TODAY, shall the Commission Grant Intervention to Any Parties that May Have Filed? AND, shall the Commission Grant a Certificate of Authority to Silv Communication Inc.?

Announcements

1. The next regularly scheduled Commission meeting will be held October 23, 2007, at 9:30 a.m. in Room 412, State Capitol Building, Pierre, SD.
2. Commission meetings are scheduled for November 6 and November 20, 2007.
3. The PUC offices will be closed Monday, October 8, 2007, in observance of Native American Day.
4. Commissioners and Staff will be attending the NARUC fall meetings in Anaheim, CA, November 11 – 14, 2007.
5. The PUC offices will be closed Monday, November 12, 2007, in observance of Veterans Day.


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October 2, 2007